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HIGHER EDUCATION DEPARTMENT

RESOLUTION

The 10th August, 2016

Subject: Revised Interest Subvention Scheme “Kalinga Sikhya Sathi Yojana” on education loan availed by students of Odisha pursuing higher studies.

Background

One of the most pressing needs in higher education today is finance. Due to manifold hike in cost of higher education, adequate financial incentive could allow poor and deserving students to attain their educational goals, meet their professional objectives. Poor and deserving students of Odisha are being deprived of higher education in the fields of technical and professional courses due to lack of adequate funding. Even most of the students are unable to avail education loan extended by scheduled banks under Government of India Scheme due to high rate of interest after the moratorium period. In order to encourage poor and meritorious students of Odisha aspiring for higher studies, “Odisha State Interest Subvention Scheme” (OSISS) is being implemented by the Department of Higher Education to provide interest subsidy @ 4% (for boy student) and 6% (for girl student) against education loan availed by them from different banks from the financial year, 2015-16. As per prevailing OSISS scheme, students with annual parental income less than ₹ 4.50 lakh from all sources are only eligible to avail the interest subsidy after the moratorium period. The proposal to further alleviate interest burden/ financial stress of the parents and to extend the parental income range was under active consideration of the Government from some time past.

Objective

2. Government, therefore, after careful consideration, have been pleased to further reduce the financial stress of the parents facing hardship in paying high rate of interest by providing financial assistance in form of interest subvention against education loan availed by students from scheduled banks under a new scheme “**Kalinga Sikhya Sathi Yojana**” to attain their educational goals, meet their professional objectives and succeed to their fullest ability.

Period of Implementation

3. This Resolution shall come into effect from the financial year, 2015-16. That means students, who have availed fresh bank loan on or after 1st April, 2015 under Government of India Scheme are only eligible for such benefit. Loans paid by banks prior to 2015-16 shall not be covered under the scheme.

Scope

4. The scheme is applicable to the students availing education loan from scheduled banks up to ₹10.00 lakh. The course of study should be in Management or Integrated Law or Course of Engineering or Medicine in any educational institution in India established by Acts of Parliament or by any State Legislature or other institutions recognized by the concerned Statutory Bodies. The repayment period shall not be more than ten years including the moratorium period if the loan amount is up to ₹ 7.50 lakh. Similarly, the repayment period shall not exceed fifteen years including the moratorium period for loans up to ₹ 10.00 lakh. The selection of beneficiaries and the documentation including security against the loan will be as per the terms of the respective bank.

5. In order to avail the benefit, the applicant student

Eligibility Criteria

- (i) Must be a resident of Odisha;
- (ii) The annual income ceiling of parents must be below ₹6.00 lakh from all sources. The annual income includes income of father/mother and spouse (in the case of married student) from all sources for the purpose of availing this benefit; and
- (iii) Should not have availed similar benefit from any other Government/ Institution for the same purpose.

Note 1: *The Residential Certificate shall be issued by the Revenue Officer not below the rank of Additional Tahasildar for the above purpose.*

Note 2: *The Income Certificate can either be self-certified based on the copy of the validly submitted Income Tax return/ or it can be a Certificate issued by Revenue Officer not below the rank of Additional Tahasildar.*

Interest Subsidy

6. Under the revised scheme, financial assistance shall be provided in form of interest subvention at such a rate that the net interest payable by the student after the moratorium period becomes 1% per annum with a stipulation that the interest subsidy will be provided only if the loan repayment is 100% regular. **That means in case of any default or irregular repayment, the benefit of subsidy shall not be extended further.** The interest subsidy shall be paid to bank directly from which the student has availed the loan.

Miscellaneous

7. The earlier Resolution No. 25271/HE., dated the 17th November, 2015 issued to this effect is partially superseded accordingly. It is further stipulated that the girl students as well as the boy students who were already covered as per the terms of the said Resolution will stand migrated to the new scheme.

8. In case of any doubt, on any provision of this Resolution, the matter shall be referred to the Government and the decision of the Government in Higher Education Department shall be final.

ORDER

Ordered that the Resolution be published in an Extraordinary issue of *Odisha Gazette* for general information of public. Ordered also that copy of the Resolution be forwarded to all Departments of the Government / All Heads of the Department/ All Collectors/ Registrar, Orissa High Court.

By Order of the Governor

G. V.V. SARMA

Principal Secretary to Government